

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re)	Case No. 05-44481 (RDD)
)	
DELPHI CORPORATION, et al.,)	(Jointly Administered)
)	
Debtors.)	Chapter 11
_____)	

**FIRST SUPPLEMENTAL DECLARATION OF MICHAEL D. WARNER
IN SUPPORT OF THE RETENTION OF WARNER STEVENS, L.L.P., AS
CONFLICTS COUNSEL TO OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

I, MICHAEL D. WARNER, pursuant to 28 U.S.C. § 1746, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information and belief:

1. I am a partner of the law firm of Warner Stevens, L.L.P. (“Warner Stevens”), which maintains offices at 301 Commerce Street, Suite 1700, Fort Worth, Texas, 76102. I am familiar with the matters set forth herein and submit this First Supplemental Declaration in support of the retention of Warner Stevens as conflicts counsel to the Official Committee of Unsecured Creditors (the “Committee”) appointed in the chapter 11 cases (the “Chapter 11 Cases”) of the above-captioned debtors and debtors in possession (collectively the “Debtors”).¹

¹ In addition to Delphi Corporation, the following entities are debtors in these related cases: ASEC Manufacturing General Partnership, ASEC Sales General Partnership, Aspire, Inc., Delco Electronics Overseas Corporation, Delphi Automotive Systems (Holding) Inc., Delphi Automotive Systems Global (Holding), Inc., Delphi Automotive Systems Human Resources LLC, Delphi Automotive Systems International, Inc., Delphi Automotive Systems Korea, Inc., Dephi Automotive Systems LLC, Delphi Automotive Systems Overseas Corporation, Delphi Automotive Systems Risk Management Corp., Delphi Automotive Systems Tennessee, Inc., Delphi Automotive Systems Thailand, Inc., Delphi China LLC, Delphi Connection Systems, Delphi Diesel Systems Corp., Delphi Electronics (Holding) LLC, Delphi Foreign Sales Corporation, Delphi Integrated Services Solutions, Inc., Delphi International Holdings Corp., Delphi International Services, Inc., Delphi Liquidation Holding Company, Delphi LLC, Delphi Mechatronic Systems, Inc., Delphi Medical Systems Colorado Corporation, Delphi Medical Systems Corporation, Delphi Medical Systems Texas Corporation, Delphi NY Holdings Corporation, Delphi Services Holding Corporation, Delphi Technologies, Inc., DREAL INC., Environmental Catalysts, LLC, Exhaust Systems Corporation, Packard Hughes Interconnect Company, Specialty Electronics, Inc., and Specialty Electronics International, Ltd.

Background

2. On November 23, 2005, Warner Stevens filed the Application Under 11 U.S.C. §§ 327(a), 328 and 1103 and Fed.R.Bankr.P. 2014(a) Authorizing Employment and Retention of Warner Stevens, L.L.P., as Conflicts Counsel for the Official Committee of Unsecured Creditors, nunc pro tunc to November 10, 2005.

3. On January 6, 2006, this Court entered a Final Order approving the retention of Warner Stevens, L.L.P.

4. I am filing this Supplemental Declaration to disclose certain facts relevant to Warner Stevens' retention that have recently come to my attention.

Supplemental Disclosure Regarding Sierra Liquidity Fund, LLC

5. In my declaration attached to the Warner Stevens Retention Application, I disclosed entities to which Warner Stevens provides or provided representation in other bankruptcy matters and the nature of such representations. Such representations do not create an adverse interest to and have no connection with the Committee, Debtors, their creditors or any party-in-interest herein in the matters upon which Warner Stevens has been retained. It has come to my attention that Warner Stevens' representation of Sierra Liquidity Fund, LLC ("Sierra") in other bankruptcy cases, although such representation does not create an adverse interest, should be disclosed.

6. Warner Stevens recently learned that Sierra has purchased claims against the Debtor and, therefore, is now an interested party in the Delphi cases.

7. Warner Stevens represents the interest of Sierra in the chapter 11 bankruptcy case entitled *In re Mirant Corporation, et al.*, being jointly administered in the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division, Case No. 03-46590 (DML). In connection with its representation, Warner Stevens represented the interest of Sierra, jointly with

other holders of claims in the case² in issues relating to the confirmed Plan of Reorganization, and also represents Sierra's individual interest with respect to certain claims it holds in the case.

8. Warner Stevens continues to represent Sierra in bankruptcy matters wholly unrelated to these Chapter 11 Cases, and does not represent and will not represent Sierra in these Chapter 11 Cases. I do not believe that the unrelated representation of Sierra presents a conflict of interest. Moreover, Warner Stevens' representation of Sierra has been fully disclosed to both Sierra and the Committee.

9. In conclusion, insofar as I have been able to ascertain and subject to the disclosures contained herein and in my previous declaration, neither Warner Stevens, nor any member or associate thereof, represents any interest adverse to the Debtors herein, or their estates, in the matters upon which Warner Stevens has been engaged. Accordingly, I continue to believe that Warner Stevens is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code.

Dated: January 26, 2006

/s/ Michael D. Warner
MICHAEL D. WARNER

² Sierra Liquidity Fund, LLC, Sierra Nevada Liquidity Fund, LLC, The Coast Fund LP, Contrarian Funds LLC, Argo Partners, Longacre Master Fund, Ltd., Madison Distressed Strategies LLC, Madison Liquidity Investors 116, LLC, Madison Liquidity Investors 123, LLC, Madison Liquidity Investors 124, LLC, Madison Niche Opportunities, LLC